



---

**A Publication of the  
DEPARTMENT OF REGULATION AND LICENSING**

**Volume 2, No. 2** **November, 2001**  
**FOR HOME INSPECTORS**

---

### **Governor McCallum Appoints Herrera**

Governor Scott McCallum announced on March 30, 2001, that he had appointed Oscar Herrera as the Secretary of the Department of Regulation and Licensing. Herrera has served sixteen years in state government including from 1999 to the time of his appointment as the Director of the Bureau of Minority Business Development in the Department of Commerce. From 1992 to 1998, he was the Director of the Wisconsin Coastal Management Program in the Department of Administration, and from 1985 to 1991, worked as a program and planning analyst with the Coastal Management Program. He was twice awarded the Department of Administration's Exceptional Performance Award.

Herrera was born and raised in Mexico City. He obtained a Bachelor's degree in Economics from the National University of Mexico and a Master's degree in Agricultural Economics from the University of Chapingo in Mexico. He also attended the University of Wisconsin-Madison where he obtained a Master's degree in Continuing and Vocational Education and completed Doctoral studies (Ph.D.abd) in Development.

### **Statistics**

Number of Active Registrants, as of 10/31/01 - 414

---

## **HOME INSPECTOR ADVISORY COMMITTEE**

---

### **Members of the Committee**

Jerome G. Baumgardt (Elm Grove)  
Larry Engen (Hazelhurst)  
Mark Jankowski (Portage)  
Norbert Lovata (Madison)  
Rita McCain (Milwaukee)  
Rick Staff (Madison)  
Mark Thomas (Milwaukee)  
Brian Vanden Heuvel (Sobieski)  
Vacancy (Public Member)

### **Administrative Staff:**

Cletus J. Hansen, Division Administrator

### **Executive Staff:**

Oscar Herrera, Secretary  
William Conway, Deputy Secretary  
Myra Shelton, Executive Assistant

### **National Home Inspector Exam**

At the September 12, 2001, meeting of the Home Inspector Advisory Committee, Brian Vanden Heuvel discussed his experiences as a participant in a two-day review of the national exam. He said the National Review Committee removed about 400 questions and spent many hours writing and critiquing new questions. He said that the Committee believes that the exam should have questions on code requirements, earthquakes, tornadoes, volcanoes and things of that nature, because it is a *national* exam. The Home Inspector Advisory Committee suggested that the Department ought to inform registrants and applicants that home inspectors do not have to address code requirements in their reports; however, home inspectors will have to understand national building code requirements to do well on the exam. The Home Inspector Advisory Committee expressed its satisfaction with the national exam.

### **Continuing Education During 2001-2002**

Every home inspector who was registered before January 1, 2002, must obtain 40 hours of continuing education, in order to timely renew his or her registration on or before December 31, 2002. Every home inspector who was registered on or after January 1, 2002, must obtain 20 hours of continuing education, in order to timely renew his or her registration on or before December 31, 2002.

What home inspector courses will satisfy the continuing education requirement? The administrative rules say: "a program relating to the general subject matter of home inspection." This includes courses offered by schools, professional associations, home inspection companies and governmental agencies.

---

### **Contents**

Governor McCallum Appoints Herrera.....	1
Statistics .....	1
National Home Inspector Exam .....	1
Continuing Education During 2001-2002 .....	1
Continuing Education Random Audits.....	2
Information on the Internet.....	2
Fee Changes in Biennial Budget Bill .....	2
Complaints Received During 2001 .....	2
Administrative Rule Revisions.....	3
Referral Fees .....	3
Definition of "Home Inspection" .....	3
Telephone Directory and Miscellaneous .....	4

The Department has avoided having complex requirements and procedures for the approval of continuing education courses and providers. The Department has advised home inspectors that they must take courses in "home inspection" and that they must receive a certificate of attendance from the course provider. The certificate of attendance should state the name of the provider, the name and date of the course, the number of hours of the course, and the name of the home inspector who completed the course. The home inspector will not be required to send these certificates to the Department unless the Department requests them as part of a random sample audit.

#### **Continuing Education Random Audit**

A random audit was conducted early this year, relating to renewals for the 2001-2002 licensing biennium. At its meeting of May 16, 2001, the Home Inspector Advisory Committee reviewed a report concerning the audit and noted that the audit requested proof of continuing education from 60 home inspectors out of 373 who renewed their registration certificates. It produced satisfying results. Every person was able to provide satisfactory proof of completion of the required education. Committee members reviewed the responses received from the home inspectors involved in the random sample and agreed with Department staff that the responses of the home inspectors were satisfactory. The Committee also agreed that there is not a need at the present time to revise the administrative rules to tighten the educational program approval policies.

#### **Information on the Internet**

The state of Wisconsin now has a relatively new portal on the Internet that enables persons to access all state agencies and services from this single entry point. The portal is in its infancy stage; however, it will grow and develop very quickly. Simply enter the following Web address: <http://www.wisconsin.gov/>

Then you can click on "Agency Index" and find the Department of Regulation & Licensing in the alphabetical list. Be sure to check out our site, because it has recently been revised and it, too, continues to grow. Please note the new "Search" feature that is now on the Department's Home Page. Eventually, our site will have application forms that you will be able to fill out and submit electronically, as well as more informational documents. At the end of 2000, real estate agents were the first group of licensees that were able to renew their licenses electronically on the Internet. During the next few years more organizations and individuals will be able to renew on the Internet.

Be sure to click on some other agencies that provide services that may be beneficial to you. For example, note the information provided by the Department of Financial Institutions (DFI) concerning corporations and LLC's. DFI's Web address is: <http://www.wdfi.org/>

#### **Fee Changes in Biennial Budget Bill**

Governor Scott McCallum signed the Biennial Budget Bill into law as 2001 Wisconsin Act 16. It had several items that directly affect home inspector registrations.

Original Registration Fees - \$44 \$53

Fees for Renewal of Registration - \$44 \$53

#### **Complaints Received During 2001**

As of October 26, 2001, the Department has received 19 complaints against home inspectors in 2001. Twelve of these complaints alleged unlicensed practice. The following paragraphs provide a sampling of some of the other complaints received:

A report concerning an inspection on 6/18/99 stated that the roof was fair to satisfactory and there was no water leakage to the attic. On 12/23/00 owners found leakage to family room ceiling and they hired roofing contractor who went into attic and found many leaking spots on the roof. Some spots may have been there for 3 years. Owner was surprised inspector didn't see the leaks. The problem was so serious that owner replaced shingles and many pieces of wood on the roof. Inspector didn't do a good job on roof inspection. Some allegations concerning the inspector's failing were: (a) only 50% of the roof was inspected; (2) there had been caulking on the roof by the previous owner which means there were problems before; (3) failed to find the water spots in the attic; (4) failed to point out lots of dislocated shingles on top of family room. Inspector said he would send someone to perform the "moisture test" to see if water spots had been there before the 6/99 inspection, but he failed to do that.

\*\*\*\*\*

Inspector said there were no major problems; first story floor was secure. When owner moved a refrigerator, owner found a hole in wall that appeared to be rotten wood. Went to basement to find some of floor had been replaced under the wall; some studs were also soft. Window sill and doorframe visibly damaged. Termite damage. Inspector returned to house to check. Inspector said he would refund inspection fee and help with the repair cost. Now inspector says he won't refund any of the money and will not take any of owner's calls. Arbitration is allowed in the contract but inspector won't tell owner how to proceed to arbitration.

\*\*\*\*\*

Inspector said roof would last 10-15 years. Three months after purchasing home, pieces of ceiling came down in a storm. Thinking it was wind damage, owner had insurance company come and look at the roof. Insurance agent said roof was in horrible shape and should have been replaced 2 years before complainant bought it. Complainant is finding out that the house, in general, is in poor shape: windows leak; storm windows are wrong size; fuses won't allow 2 major appliances running at same time. Inspector won't take or return calls. Complainant wrote a letter that came back undeliverable.

\*\*\*\*\*

Inspector conducted a 40-minute inspection. Inspector verbally said there were 2 layers of shingles on roof, but on inspection report he listed multiple layers. The basement wall is bowed which was listed. Inspector said it has been like that for 20 years and he said not a problem; just clean out the gutters, put in some fill, put window wells in and watch it. Complainant says that was not true. Inspector verbally said plumbing was good,

considering the age of the house. Complainant had to get a plumber to fix the bathtub fixtures. There was leaking asbestos around the old furnace pipe and inspector said to just get a can of paint and spray it. Inspector said no problem with windows - just a few panes cracked, sills need paint. Complainant says windows are rotten.

\* \* \* \* \*

Complainant is in process of selling home. Couple who put in offer hired inspector. The couple buying the home accompanied the inspector. So did the complainants and complainant's real estate agent. Inspector and buyer were in basement and took a mold sample. Failed to tell or ask if they could sample the mold. Inspector should not have taken anything out of the home. Didn't state this on his report. Complainant found out after the fact. Because of this it took weeks longer and sellers almost lost the sale.

\* \* \* \* \*

Inspector wrote report that didn't convey the true condition of the home. The report mentions wood chips as though they were near the foundation--there were no chips anywhere near foundation. Roof was 12 years old; inspector said 15 years old. Reported that the safety reverse on garage door didn't operate, but it was fully operational. Reported that there was no service door, yet there was one. Reported that there was no evidence of safety glass; yet it was safety glass. Water heater was 50 gallons; wrote 40 gallons. Wrote boiler was installed in 1993; clearly marked installed in 2000. Wrote insulation was blocking soffit vents and that there was 9" of insulation and an R rating of 20. Said that attic was reinsulated in 1997. States as not operating the master control electrical panel in bedroom (it was fully operational); Said the humidifier was not working (it was working fine); Said that several under-the-floor heating systems not operating (there was one not operational, not several). There was no indication there was any trouble with the electrical system, yet the report says low voltage lighting was a deferred cost item.

#### **Administrative Rule Revisions**

RL 133.01 (3) On or after January 1, 2001, the department shall prepare ~~and or approve the required examination~~ a 2-part examination. Part I shall consist of an examination relating to the Wisconsin statutes and administrative rules that relate to the practice of home inspection. Part II shall consist of an examination relating to the principles and procedures that relate to the practice of home inspection.

RL 133.02 Examination grade. (1) To pass each examination part the applicant shall receive a grade determined by the department to represent the minimum competence to practice. The department shall determine the passing grade for part I of the examination after consultation with subject matter experts who have reviewed a representative sample of the examination questions and available candidate performance statistics, and shall set the passing grade for the examination at that point which represents minimum acceptable competence in the profession. The department shall determine the passing grade for part II of the examination in the same manner as for part I or the department may accept the

passing grade recommendation of a testing agency whose examination has been approved by the department.

RL 135.02 Continuing education requirements.

(1) In this chapter:

(b) "Hour" means 50 minutes of ~~classroom~~ instruction.

#### **Referral Fees**

Section 440.975 (7) (e), Wis. Stats., says that a home inspector may not: "Pay or receive, directly or indirectly, in full or in part, for a home inspection or for the performance of any construction, repairs, maintenance or improvements regarding improvements to residential real property that is inspected by him or her, a fee, a commission, or compensation as a referral or finder's fee, to or from any person who is not a home inspector." The Home Inspector Advisory Committee has reviewed several arrangements between real estate brokers and home inspectors that the Committee believes violate this statute. Please remember that you may not make any kind of direct or indirect payment to anyone who refers potential clients to you, except a home inspector. This is especially important in regard to a real estate broker, because of the need for a certain amount of independence between the role of the broker and the role of the home inspector.

#### **Definition of Home Inspection**

The Home Inspector Advisory Committee has had some interesting discussions about what kinds of property inspections fall under the home inspection regulation and how a home inspector inspects a multi-unit dwelling, such as a condominium or a building with a business in one part of the building and a dwelling unit in another part of the building.

The definition of "home inspection" becomes an issue when staff in the Department receive letters or telephone calls, asking whether a person must be registered to inspect a building with more than 4 dwelling units. What the statutes clearly say is that a "home inspection report" is a written opinion of a home inspector concerning the condition of the improvements to residential real property that contain not more than 4 dwelling units. Based on this provision, the Department has advised people that the inspection of a building with more than 4 dwelling units does not require registration as a home inspector. Perhaps, we will find a way to better define "home inspection" in future statutory or rule revisions.

As for inspecting multi-unit buildings, the Committee concluded that there are issues to be considered; however, home inspectors have been able to work out potential problems. The Committee advised that home inspectors may want to include a statement or two in their contract concerning what parts of a condominium, for example, will be inspected by the home inspector.

# REGULATORY DIGEST

PRSRT STD  
U.S. Postage  
Paid  
Madison, WI  
Permit No. 1369

RETURN SERVICE REQUESTED

## Telephone Directory

The Department of Regulation and Licensing has recently implemented an IVR Auto-Attendant Telephone System. This system may be accessed 24 hours a day for computerized licensing information. We ask for your patience as we perfect the system and remove some of the bugs we have encountered. You may continue to dial the following telephone number; **however, the extension numbers that had been published in past issues of the Regulatory Digest are no longer valid.** Please listen to the new menu for the new extension numbers. The number to dial is:

**(608) 266-5511**

Our Fax Number is: **(608) 267-3816**

## Visit the Department's Web Site at:

[www.drl.state.wi.us](http://www.drl.state.wi.us)

For our new "Online Verification of Credential Holders" click on the "Business and Professional License Lookup" button on the Department's home page.

Copies of the Regulatory Digest are on the Web.

Send comments to [web@drl.state.wi.us](mailto:web@drl.state.wi.us)

## Wisconsin Statutes and Code

Copies of the "Statutes and Administrative Code Relating to the Regulation of Home Inspectors" can be ordered from the Department.

Include your name, address, county and a check payable to the Department of Regulation and Licensing in the amount of \$5.28. The latest edition is dated August 2001. New registrants receive a copy free of charge.

## Change of Name or Address?

Please photocopy the mailing label of this digest, make changes in name or address, and return it to the Department. Confirmation of changes is not automatically provided.

**WIS. STATS. S. 440.11 ALLOWS FOR A \$50 PENALTY TO BE IMPOSED WHEN CHANGES ARE NOT REPORTED WITHIN 30 DAYS.**

## Subscription Service

Bi-annual digest subscriptions are published for all credentials in the Department at a cost of \$2.11 each per year. CREDENTIAL HOLDERS RECEIVE THEIR REGULATORY DIGEST FREE OF CHARGE. Others may send the fee and this form to the address listed above.

## Subscription Service Order Form

\_\_\_\_\_  
Name

\_\_\_\_\_  
Company/Organization

\_\_\_\_\_  
Street Address/P.O. Box

\_\_\_\_\_  
City/State/Zip + 4

\_\_\_\_\_  
County

\_\_\_\_\_  
Digest(s) desired:

G:digest/1101HL.doc